DOCUMENT RESUME

ED 332 839 RC 018 026

AUTHOR Lyson, Thomas A.
TITLE Down and Out in Rural America: The Status of Blacks and Hispanics in the 1980s.
PUB DATE 11 Aug 90
NOTE 32p.; Paper presented at the Annual Meeting of the Rural Sociological Society (Norfolk, VA, August 8-11, 1990).
PUB TYPE Reports - Research/Technical (143) -- Speeches/Conference Papers (150)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS *Blacks; *Educational Attainment; Geographic Distribution; *Hispanic Americans; *Human Capital; Mexican Americans; Occupational Mobility; *Racial Distribution; Rural Development; *Rural Economics; Rural Education; Socioeconomic Status
IDENTIFIERS Index of Dissimilarity

ABSTRACT

Blacks and Hispanics in rural America face opportunities and life circumstances distinctively different from their urban counterparts. Not only are rural conditions generally worse than urban areas in job opportunity, social services, and human capital, but the problem of inequity is also more severe within rural areas than within urban areas. Most rural Blacks live in the South, with over half of these in the South Atlantic states. Most rural Hispanics are Mexican-American and live in Arizona, New Mexico, Colorado, and Texas. The Index of Dissimilarity, used to measure the degree of segregation in occupational distributions, indicates that the greatest occupational discrepancy is between rural Whites and rural Blacks. Wider cross-racial discrepancy in educational attainment also exists in rural areas. Although more rural minorities succeeded in completing elementary school and high school by the end of the 1980s, they did not experience similar improvements in postsecondary attendance and college completion. In rural areas, there are fewer Whites than Blacks or Hispanics with less than eight years of schooling and many more Whites than Blacks or Hispanics with college degrees. As a result, the gap between Whites and other groups persists in rural areas. The problem is most acute in poor regions of the nation, where local funds for schooling are more limited. The improvement of human capital in rural areas is crucial in dealing with global economic competition. Education must focus on traits and characteristics compatible with work in small scale, diverse and flexibly specialized businesses and enterprises. Examples of such firms would be those offering specialty food products, custom-tailored clothing, handcrafted furniture, professional business services, computer software design, and specialty apparel. Such entrepreneurial enterprises would benefit all rural workers, and they need to be supported by state and local governments through development of infrastructure and policy initiatives. This report includes 7 data tables and 14 references. (ALL)

ED332839

DOWN AND OUT IN RURAL AMERICA: THE STATUS OF BLACKS AND HISPANICS IN THE 1980'S[1]

Thomas A. Lyson
Department of Rural Sociology
Cornell University
Ithaca, New York 14853

BEST COPY AVAILABLE

[1] Support for this research was provided in part by the Cornell University Agricultural Experiment Station in conjunction with USDA regional research project, S-229. This paper will appear in L.J. Beaulieu and Dave Mulkey (eds.), Investing in People: The Human Capital Needs of Rural America. Boulder, CO: Westview.

RC018025

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
X This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
Thomas A. Lyson
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

DOWN AND OUT IN RURAL AMERICA: THE STATUS OF BLACKS AND HISPANICS IN THE 1980'S

Thomas A. Lyson
Department of Rural Sociology
Cornell University
ithaca, New York 14853

The 1980's was a decade of social and economic contradictions in the United States. After a sharp recession in 1981 and 1982, the economy rebounded into what became the longest sustained period of growth in the nation's history. Despite a period of economic recovery that has lasted into the 1990's, poverty rates have remained high, the income gap between the rich and the poor has widened, and many regions of the country, including large, rural sections of the South and Midwest, have stagnated (Lyson, 1989; Littman, 1989).

Apart from these macro trends and conditions, the social and economic problems of America's minority populations were topics of grave concern at the beginning of the decade and remained newsworthy throughout the 1980's. Several scholarly studies documented the intractability of poverty and poor living standards among blacks and Hispanics (see for example, Wilson, 1987; Sandefur and Tienda, 1988; Jaynes and Williams, 1989; Jensen, 1990). It is worth noting that virtually all of the attention directed toward assessing the social and economic conditions of minorities in this country has had either a national or an urban focus. This is not surprising, perhaps, since almost three-fourths of the nation's population resides in urban areas and over 40 percent live in metropolitan areas with one million or more residents. Places like New York City,

Chicago and Los Angeles are sufficiently large that problems of race, poverty and the underclass attract attention collectively as well as individually. On the other hand, although almost 60 million Americans live outside metropolitan areas, including almost five million blacks and nearly two million Hispanics, the social and economic welfare problems, human capital needs, and opportunity structures facing rural Americans rarely receive collective recognition or individual attention.

In recent years there has been a growing awareness that blacks and Hispanics living in rural America face distinctive sets of opportunities and life chances that are qualitatively different from those facing their counterparts in urban areas (Jensen, 1990). Not only do rural minorities confront a more restrictive set of occupational opportunities, but these jobs often pay less than comparable positions in urban areas and have fewer job benefits, attached to them. Likewise, the social amenities, welfare benefits, and infrastructure that sustain a decent standard of living are deficient in many rural areas, especially areas with large minority populations.

While one could argue that rural areas, in general, compare unfavorably to urban areas on a range of quality of life measures, it is also true that the stock of human capital in rural places is not up to urban standards. The average level of schooling is lower in rural areas, illiteracy is higher and the drop-out rate surpasses that found in urban areas (Lyson, 1989). Hence, many have argued that for rural areas to close the gap with urban places, the human capital of rural places must be enhanced.

Beyond these issues of equity between rural and urban America, there is a question of inequality within rural America itself. We know, for example, that minorities living in cities tend to fare worse than urban whites. While we expect to find a similar pattern in rural areas, it is unclear exactly how blacks and Hispanics living in rural America compare to their white counterparts. In this paper, I assess the status of rural blacks and Hispanics in the U.S. in the 1980's. I pay particular attention to their experiences during this decade. Did they ride the crest of the economic boom that swept the country during the decade or did they become mired in the economic backwaters of the country? After I examine how rural blacks and Hispanics fared in the 1980's, I will turn to an analysis of some programs and policies that might improve their life chances in the 1990's.

THE GEOGRAPHY OF RURAL MINORITIES

While both the rural and urban white populations are dispersed across all regions of the country (Table 1), the same pattern does not hold true for rural blacks and Hispanics. Nearly 95 percent of all rural blacks reside in the South and over half of these are found in the South Atlantic states. There are 276 counties in the South in which blacks account for 30 percent or more of the total population. Over 2.5 million of the five million rural blacks live in these 276 counties. This residence pattern contrasts sharply with that of urban blacks. Less than half of the nation's urban blacks live in the South. The Northeast and North Central regions together contain over 40 percent of the urban black population, while over one in ten

urban blacks lives in the West.

Rural Hispanics display a similar pattern of geographic specificity. Nearly half of all rural Hispanics live in the West. The bulk of these are found in the Mountain states of Arizona, New Mexico and Colorado. Another 40 percent of the rural Hispanic population resides in the South, mainly Texas. There are 81 nonmetropolitan counties in which Hispanics make-up 30 percent or more of the population. Nearly 650,000 Hispanics live in these 81 counties. Urban Hispanics, like their black counterparts are more geographically dispersed with about one in six living in the Northeast. As Sandefeur and Tienda (1988) note, most rural Hispanics are Mexican-American, while the urban Hispanic population is a polyglot of Mexican-Americans, Puerto Ricans, Cubans and other people of Spanish decent.

The geographic concentrations of rural blacks and Hispanics has important implications for understanding the problems they face today and their prospects for the future. The geographic concentration of rural blacks in the South and rural Hispanics in the Southwest is no accident, but rather the result of historical patterns of economic development. Rural blacks in the South today represent the legacy of the old plantation system of agriculture and the tenant and sharecropping system that followed the Civil War. For generations, rural blacks in the South worked in the region's cotton fields as tenant farmers, sharecroppers or as agricultural laborers. When cotton production was mechanized in the 1950's and 1960's, the source of economic livelihood for millions of blacks disappeared. Many rural blacks migrated to cities in the North. Those who

remained now live in places devoid of significant economic opportunities.

Unlike rural blacks, the geographic concentration of rural Hispanics does not have its roots in slavery and plantation agriculture. Rather, rural Hispanics in the Southwest have come in waves from Mexico, especially after the Mexican Civil War in 1910. Because many of these immigrants were poorly educated and did not speak English, they were relegated to lowest rungs on the job ladder. Often the only employment open to them was as agricultural workers. Like rural blacks, many rural Hispanics were able to eventually leave agricultural work and move to urban centers in the North. However, a residual of low skilled, poorly educated Hispanics has remained in the rural Southwest.

DETERIORATING ECONOMIC CONDITIONS: 1980-1988

Between 1980 and 1988, rural workers in general, and black and Hispanic workers in particular saw their economic positions deteriorate relative to their urban counterparts. At the same time, within rural areas, the income gap between white workers and workers in the two minority groups also widened. All of these relationships held across gender lines (Table 2).

The ratio of rural income to urban income for white men fell from 89.7 percent in 1980 to 77.7 percent in 1988. The drop in the ratio of rural to urban income for black men during this same period was from 80.1 percent to 67.9 percent, while Hispanic income fell from 87.6 percent to 84.2 percent. Similar results are evident for women. The largest drop was experienced by white women. Rural white women had incomes that were 81.0 pecent of urban white women in 1980. By 1988, rural white

women's income had fallen to 71.6 percent of their urban peers. Black and Hispanic women also saw their incomes fall relative to their counterparts in urban areas.

Equally troubling is the fact that within rural areas, blacks and Hispanics lost ground to whites. Black men had incomes that were 55.2 percent of white men in 1980. By 1988, the average income of rural black men had fallen to just 50.5 percent of white men. Similarly, rural Hispanic men saw their incomes fall from 70.1 percent of white men in 1980 to 67.8 percent in 1988.

Interestingly, rural black women have fared better than black men vis-a-vis whites. Yet, between 1980 and 1988, black women saw their incomes fall from 85.0 percent of rural white women to 80.8 percent. Rural Hispanic women also lost ground to whites. Their incomes fell from 70.5 percent of the white average in 1980 to 63.7 percent.

Another way to assess the changing economic status of rural blacks and Hispanics is presented in Table 3. Here, rural white, black, and Hispanic households are grouped into categories based on their total household income. Thus, for example, in 1980 22.9 percent of all rural white households had incomes that placed them in the top 20 percent income group nationally. On the other hand, only 7.8 percent of rural black households had incomes high enough to place them in the top 20 percent.

Two points stand out in Table 3. First, rural black and Hispanic households were disproportionately concentrated in the lowest income categories in both 1980 and 1988, while the income distribution for white households is more evenly dispersed

across the income quintiles. Second, the economic situation for all rural households, and especially for black and Hispanic households, deteriorated substantially during the 1980's. By 1988, nearly four in ten rural black households were located in the bottom income quintile, while only three out of every 100 rural back households had incomes that placed them in the top 20 percent. The situation for rural Hispanics was only slightly better. About one in four Hispanic households fell into the bottom income category in 1988, while 6.6 percent had household incomes large enough to be in the top 20 percent.

Two other pieces of data in Table 3 document racial and ethnic based inequalities in rural America. First, over one in four rural black households had incomes less than $7,500/year in 1988 compared to one in seven Hispanic households and one in ten white households. Phrased differently, black households are nearly three times as likely as white households to have very low incomes. Second, and conversely, white households are three times as likely as black households to have high incomes (i.e., over $40,000/year).

Not only do rural blacks and Hispanics have relatively low incomes compared to whites, but counties in which blacks and Hispanics are concentrated rank low on the income scale. The average income rank of nonmetropolitan counties without large concentrations of blacks or Hispanics is 1733 (out of 3049). The average income rank of the 81 counties in which Hispanics account for 30 percent or more of the population is 2339. Among the 276 counties with 30 percent or more black population, the average ranking is only 2419.

To briefly summarize, the data presented above illustrate several important facts about the economic situation of minorities in rural America in the 1980's. First, black and Hispanic workers in rural areas earn less than their urban counterparts. Second, the income gap between rural workers and urban workers widened during the decade. Third, within rural areas, blacks and Hispanics are at the bottom of the economic ladder. Fourth, areas with large concentrations of blacks and Hispanics rank well below other nonmetropolitan counties on the income ladder. Finally, during the 1980's, the income situation for rural minorities deteriorated considerably. In the next section of the paper, I assess the nature of the opportunity structure in rural America and how employment opportunities have been allocated across race, ethnic and gender lines.

EMPLOYMENT OPPORTUNITIES FOR RURAL MINORITIES

The nature and range of employment opportunities available in rural areas varies considerably by race, ethnicity and gender. Looking first at the industrial make-up of the rural workforce (Table 4), it is apparent that black men, and to a lesser extent Hispanic men, confront more restricted sets of occupational alternatives than whites. Over 40 percent of rural black men hold manufacturing jobs. This compares with 25 percent of white men and 21 percent of Hispanic men who work in manufacturing. Hispanic men, on the other hand, are disproportionately found in agriculture. One in five Hispanic workers holds and agriculturally related job. Rural white men, overall, are more evenly allocated across the industrial spectrum.

Although the patterns of industrial employment for rural

women also reveal variation across racial and ehtnic lines, there are remarkable similarities as well. Most notable, for example, is the fact that over half of all rural women are employed in service related industries. Beyond this, over 35 percent of rural black women hold manufacturing jobs. Together, then, manufacturing and service industries account for over 85 percent of all jobs held by black women. This incredibly restrcited range of industrial employment alternatives is no doubt tied to the low levels of income reported by black females in Table 2.

Hispanic women, like Hispanic men, are overrepresented in agriculture. Over one in eight Hispanic women work in agriculture. This is four times the percent of white women in agriculture and five times the percent of black women.

The data on occupational placement (Table 4) complement the industrial data and provide a good indication of the types of jobs rural workers hold. As might be expected, rural white men occupy the more favorable positions in the occupational structure. Nearly half hold professional, managerial, technical or skilled blue collar jobs. Only about 23 percent of rural black men and 42 percent of rural Hispanic men are found in these types of jobs.

Conversely, over half of the rural black male workforce holds semi-skilled and unskilled blue collar positions. This is more than double the percentages of white men and Hispanic men in these positions. Finally, in line with the disproportionate percentage of Hispanic men in the agricultural sector, 18 percent of rural Hispanic men are classified as farmworkers.

Like black men, rural black women are confined to a narrow range of occupational positions. Over 68 percent are found in relatively low level blue collar and service worker jobs. Comparable figures for Hispanic and white women in these types of occupations are 48 percent and 32 percent respectively. On the other hand, over 60 percent of rural white women hold white collar positions compared to 27 percent of rural balck women and 50 percent of rural Hispanic women.

To better understand the differences in occupational opportunity structures that confront white men, black men and Hispanic men, I computed three indexes of dissimilarity. The index of dissimilarity (D) is a widely used measure of segregation (Rosenfeld and Sorenson, 1979). When applied to occupational distributions, it is based on the absolute differences between the proportion of one group in a particular occupational category and the proportion of a second group holding jobs in that category. These differences are summed across occupational categories and divided by two. Scores for the D coefficient can range from 0, indicating no differences in the occuaptional distributions between the two groups, to 100, indicating that the groups share no common occupations.

For men, the greatest occupational discrepency among the three groups is between whites and blacks. Over 37 percent of whites and blacks would have to change occupational positions for there to be parity in the distributions. For blacks and Hispanics to have identicle occupational distributions, 33.8 percent of the groups would need to change positions. And for whites and Hispanics, the D coefficient is 20 percent.

Similar patterns of dissimilarity are evident for women also. Nearly 40 percent of black and white women would have to change positions for occupational parity to be achieved. Likewise, nearly 25 percent of Hispanic women would have to change places with either white women or black women before distributions became identicle.

Not only do whites occupy more favorable positions in the labor force than blacks or Hispanics, but they also manifest tighter linkages to the job market in general. The data in Table 5 reveal that rural white men are considerably more likely to be employed full-time than either rural blacks or Hispanics. Furthermore, during the 1980's, the percentage of rural white men employed full-time increased while the percentage of black and Hispanic men employed full-time decreased.

Unemployment rates for rural men also varies by race and ethinicity. White men, not surprisingly, have the lowest rates of unemployment, while black men have the highest rates. Interestingly between 1980 and 1988 the unemployment rate for rural white men remained almost constant, increasing by only 0.1 percent during this time. The unemployment rates for blacks and Hispanics, on the other hand rose significantly during this time.

A somewhat different set of results is evident for rural women. The percentage of white and black women employed full-time was relatively high (69 percent), while the percentage of Hispanic women working full-time was considerably lower (59 percent). Between 1980 and 1988, the percentage of women working full-time increased across all race/ethnic groups. The

largest gains were evident among black and Hispanic women, however.

Unemployment rates, however, were highest for black and Hispanic women and lowest for white women. Between 1980 and 1988, unemployment rates increased for black women, but dropped for white and Hispanic women. Overall, the data in Table 5 suggest that rural white women show greater attachment to the labor force in 1988 than either black or Hispanic women.

It is evident from the results in Tables 4 and 5 that race and ethnicity are powerful determinants of job placement in rural areas. Part of the reason why blacks and Hispanics fare worse than whites in terms of industrial and occupational placement is probably tied to the geographic concentrations of blacks in the South and Hispanics in the Southwest. As we have noted elsewhere (Falk and Lyson, 1988:135), areas of the rural South with high conetrations of blacks "....remain saddled with an economic base dominated almost entirely by slow-growing, stagnating, and declining industries.... consequently, most occupational opportunities in the Black Belt are at the low-wage, low-skill end of the job ladder." In a similar vein with respect to Hispanics, Tienda (1981:536) notes: "Agricultural activities continue to provide employment for nonmetro Chicanos....This means that many are subjected to low standards of living with their attendent implications for limited mobility and social acceptance."

LAGGING EDUCATIONAL ATTAINMENT

Any agenda to improve or enhance the human capital of rural residents in the U.S. must focus on education and schools. It

has become an accepted social fact that the disadvantaged positions of rural minorities in the U.S. is due in part to deficencies in levels of human captial (Wilson, 1987; Beaulieu, 1989). According to Jensen (1990): "Employment opportunities for nonmetro minorities will increase in direct proportion to improvements in the human capital they bring to the labor market." What is not widely accepted is a coherent agenda to improve the educational performance of disadvantaged groups in the U.S.

Data on educational attainment are presented in Table 6. These data show that the percentage of blacks and Hispanics with less than an eigth grade education decreased substantially during the 1980's. However, in 1988, one in five rural black men and one in three rural Hispanic men still had less than an elementary school level of education. To employers seeking qualified workers, these individuals would be judged to be functionally illiterate and suitable for only low skill, marginal employment. Similar patterns hold for rural black and Hispanic women as well.

While there has been some success in raising the educational floor of rural minorities, similar improvements are not evident at the top range of the educational ladder. The percentage of rural blacks and Hispanics who graduated from college generally stayed the same or in some instances decreased during the 1980's. The percentage of rural Hispanic men who had graduated from college, for example, declined from 8.7 percent in 1980 to 8.3 percent in 1988. The percentage of rural black women who graduated from college went from 8.2 percent in 1980 to 6.8

percent in 1988.

It is also worth noting that rural whites hold a decided educational advantage over rural blacks and Hispanics. Not only are there proportionately fewer rural whites with less than eight years of schooling, but there are also substantially more whites with college degrees. Falk and Lyson (1988:128) note one of the consequences of unequal educational attainment for blacks and whites in the rural South when they write: "White men disproportionately occupy good jobs, black women (and to a lesser degree black men) occupy bad jobs. Given this, the gap between blacks and whites seems intractable. Historical inequalities seem bound to continue, and the class system in the South will reproduce itself yet again."

Part of the reason why rural blacks and Hispanics manifest lower educational attainments vis-a-vis rural whites may be linked to the geography of rural minorities noted earlier. Both rural blacks and rural Hispanics are concentrated in relatively poor regions of the country. One consequence of living in an economically depressed area is that local funds for schooling are more limited. In the 276 nonmetropolitan counties in which 30 percent or more of the population is black, local expenditures for schooling are 17.8 percent less than they are in other nonmetropolitan counties. Likewise, in the 81 nonmetropolitan counties with large concentrations of Hispanics, expenditures are 12.2 percent less than the nonmetropolitan average.

More importantly, however, the socioeconomic context that characterizes these lagging regions no doubt has a detrimental

effect on educational performance (Coleman, 1966). County level data from the 1980 Census, for example, show that in the South blacks who live in counties with large concentrations of blacks manifest lower levels of educational attainment than whites in those counties (Table 7). Furthermore, blacks in these counties also display lower levels of educational attainment compared with blacks in other southern counties. It is worth noting that the educational performance of rural whites in the Deep South is not effected by county racial composition. From this finding one can conclude that educational inequality between blacks and whites is greater in the poorer, black belt areas of the rural South than in the more prosperous and predominantly white areas. In other words, as long as rural minorities are disproportionately concentrated in a few places, the educational inequalities noted in Table 6 are likely to persist.

WHAT WILL HAPPEN IN THE 1990'S?

By most social and economic yardsticks, the 1980's were not good to many rural blacks and Hispanics. After several decades of slow but steady economic progress, the 1990's are best viewed as a period of either marginal improvements, stagnation or even decline. The data presented in Tables 2-7 illustrate the growing divergence between rural whites and rural blacks and Hispancics on a range of social and economic indicators. Ironically, the eroding social and economic situation for rural minorities has occurred during what has been widely touted by recent Republican administrations as the longest sustained period of economic growth since World War II.

In the best of all worlds, the disadvantaged positions of

rural blacks and Hispanics would become an issue of national concern in the 1990's and a federally directed and supported initiative would be launched to alleviate the inequalities that currently exist. However, times have changed since President Johnson declared a War on Poverty in the 1960's and the political mood has turned away from large scale, federally sponsored programs to a belief that poverty and economic development are issues that are most appropriately addressed at the local level. At best, the federal government in the 1990's can be counted on to provide bits and pieces of a social safety net to keep at least some groups and some places from falling further behind the economic mainstream. Some examples of the types of programs that are targeted at specific economically disadvantaged and vulnerable groups include Headstart, the Women and Infant Care (WIC) program, and the Job Partnership Training Act (JPTA).

During the 1980's, the federal government's role in rural development changed dramatically. Instead of offering leadership and guidance in helping to address problems in rural America, the federal government abrogated this responsibility to state and local officials. This position was articulated during the Reagan Administration by John Block, former Secretary of Agriculture, when he wrote: "The fundamental premise of this strategy is that local and State governments have the right -- and should have the authority -- to decide how public resources should be spent in rural America. The Federal roles becomes one of support rather than direction, and the agenda for action is set primarily by rural citizens themselves." (USDA:1, 1984).

In the 1990's the problems of poverty, low educational attainment and limited employment opportunities that face rural minorities are most likely to be addressed in the marketplace. That is, the key to improving the plight of rural blacks and Hispanics must be framed in terms of the "market." The social and economic conditions of all rural Americans will improve when people are able to find good jobs. The challenge facing policy makers and program planners, then, is to find new and innovative ways of nurturing sustainable economic development in rural America.

The problem of creating and sustaining a broad range of employment opportunities is compounded by the fact that rural areas in the U.S. are becoming part of an increasingly globalized economy. In a free market and global economy, capital and jobs will naturally flow to areas where the greatest profit can be extracted. This means that rural areas in the U.S., especially those with limited human capital such as the rural South and Southwest, will be relegated to the economic backwaters and forced to compete with Third World countries for footloose mulitnational plants. Over the long term, it is questionable whether or not rural areas will be able to sustain themselves economically by following this strategy.

The benign neglect the federal government has displayed toward the problems of rural areas generally and rural minorities in particular coupled with the inability of traditional industrial development strategies to alleviate these problems suggests that new and innovative efforts are needed. One potentially useful conceptual framework that can be used to

frame a "market oriented" policy and program response to rural economic development in the 1990's was put forth recently by Michael Piore and Charles Sabel (1984) in their book, The Second Industrial Divide. These authors argue that economic development is most viable and sustainable in a political environment in which municipalities take an active hand in nurturing and supporting small scale, industrially diverse, flexibly specialized enterprises. This contrast sharply with traditional rural development strategies that are aimed at attracting branch plants of large corporations. Rather than pursuing a strategy smokestack chasing, Piore and Sabel believe that many areas, both rural and urban, have an untapped potential for indigenous local development. The key to the success of this type of strategy is the ability of local and state governments to provide the technical assistance, financial backing and infrastructure to stimulate and nurture local economic development.

Along this line, an agenda to enhance human capital in rural communities shifts its focus from training workers primarily for highly skilled, and presumably highly paid, jobs in large organizations to inculcating the traits and characteristics compatible with work in small scale, diverse and flexibly specialized enterprises. It should be noted here that not all of these small and diverse enterprises will require technically sophisticated workers. There are a myriad of very productive and profitable business that require little more than basic literacy and an innovative approach to problem solving. This is not to deny, of course, that knowledge-based industries will be

one component of a prosperous rural America. However, it is important to remember that the needs of rural people, in general, and rural minorities, in particular, may be best served by presenting them with a broad range of employment opportunities.

According to the Piore and Sabel framework, the economic landscape of rural America should strive to become a multidimensional mosaic of large scale, mass production enterprises and small scale, flexibly specialized, craft-oriented units. The small scale, flexibly specialized firms would articulate in several ways with the larger economy. First, these businesses would provide products for local consumptions that are not readily available in the mass market. Some examples of these types of enterprises would be specialty food products, custom tailored clothing, and handcrafted furniture. Second, small scale, technically sophisticated enterprises would be able to fill niche markets in the national economy that are too small for mass producers to serve. Professional business services, computer software design, and specialty apparel manufacturers are examples of some of these types of businesses. Third, small, craft-based, flexibly specialized enterprises have the ability to change production quickly to exploit changing market conditions.

Already, rural areas are seeing the emergence and development of these types of enterprises and the academic community has begun to assess this phenomenon. The Southern Rural Development Center, for example, recently funded two research projects to examine "The Participation of Rural Households in Small Business

Employment" and "Rural Economic Development for Community Self Reliance" (SRDC, 1990). Along this line, the Aspen Foundation is supporting a research project to identify diversified rural livelihood strategies for low income farm families.

At the same time, states and municipalities are providing support and infrastructure to nurture local entreprenurial activities. The Center for Rural Affairs, for example, recently identified several state level policy iniatives to revitalize rural communities. Two of the more notable efforts include the Rural Enterprise Fund in Iowa that provides grants up to $50,000 to clusters of small communities that cooperatively plan and implement economic development plans. And, in North Dakota, a Home Based Manufacturing and Marketing Program provides technical assistance through Small Business Development Centers.

While these efforts in and of themselves are no panacea to the plight of rural minorities, they offer previously untried alternatives to traditional rural development strategies. If I am correct that the federal government will not launch a major initiative to alleviate the economic problems facing rural minorities in the 1990's, then it is incumbant upon policy makers and program planners at state and local levels to formulate strategies that foster and sustain economic growth. These stategies will work best if they are able to marshall the resources of local communities to nurture small business development and in the process create jobs. The best tonic for the problems facing rural minorities and lagging rural regions is a process to eliminate unemployment and underemployment and to fully utilize the human capital that exists there now. If

these small scale, local initiatives show promise, the 1990's will be a period of transition for rural America. Whites, Blacks and Hispanics all stand to benefit form these efforts.

References

Beaulieu, Lionel J. 1989. "Building partnerships for people: Addressing the rural South's human capital needs." Mississippi State, MS: Southern Rural Development Center.

Coleman, James S. 1966. Equality of Educational Opportunity. Washington, DC: U.S. Government Printing Office.

Falk, William W. and Thomas A. Lyson. 1988. High Tech, Low Tech, No Tech: Recent Industrial and Occupational Changes in the South. Albany, NY: SUNY-Albany Press.

Jaynes, Gerald D. and Robin M. Williams (eds.). 1989. A Common Destiny: Blacks and American Society. Washington, DC: National Academy Press.

Jensen, Leif. 1990. "The doubly jeopardized: policy perspectives on nonmetropolitan blacks and Mexicans." In Cornelia B. Flora and James A. Christenson (eds.), Rural Policies for the 1990's. Boulder, CO: Westview.

Littman, Mark S. 1989. "Poverty in the 1980's: Are the poor getting poorer?" Monthly Labor Review 112(6): 13-18.

Lyson, Thomas A. 1989. Two Sides to the Sunbelt: The Growing Divergence Between the Rural and Urban South. New York: Praeger Publishers.

Piore, Michael J. and Charles F. Sabel. 1984. The Second Industrial Divide. New York: Basic Books.

Rosenfeld, Rachel A. and Aage B. Sorenson. 1979. "Sex differences in patterns of career mobility." Demography 16 (February): 25-31.

Sandefur. Gary D. and Marta Tienda (eds.). 1988. Divided Opportunities: Minorities, Poverty and Social Policy. New York: Plenum Press.

Southern Rural Development Center. 1990. "SRDC board funds seven projects." SRDC Capsules 10(1): 1.

Tienda, Marta. 1981. The Mexican-American Population. Pp. 502-550 in Amos H. Hawley and Sara Mills Mazie (eds.), Nonmetropolitan America in Transition. Chapel Hill, NC: University of North Carolina Press.

United States Department of Agriculture. 1984. Rural Development and the American Farm. Office of Rural Development Policy, Washington, DC: U.S. Government Printing Office.

Wilson, William J. 1987. The Truly Disadvantaged. Chicago: University of Chicago Press.

Table 1. Residence Patterns of Whites, Blacks and Hispanics.

	White		Black		Hispanic	
Region	Rural	Urban	Rural	Urban	Rural	Urban
New England	5.0	6.8	.7	2.3	1.1	1.9
Middle Atlantic	7.1	18.8	1.0	18.1	2.6	15.5
East North Central	20.8	18.0	.8	19.1	3.4	5.6
West North Central	15.2	6.2	1.8	3.1	3.6	.6
South Atlantic	16.8	16.4	52.0	28.1	3.0	10.7
East South Central	12.9	4.3	22.2	7.6	2.8	.2
West South Central	9.9	8.9	20.5	11.4	34.3	21.6
Mountain	5.8	5.3	.4	1.5	43.2	7.1
West	6.5	15.3	.6	8.8	6.0	36.8

Source: Current Population Survey, 1988

Table 2. Income Levels of White, Black and Hispanic Workers: 1980 and 1988.

	White		Black		Hispanic	
	1980	1988	1980	1988	1980	1988
	1988 Dollars					
Male						
Rural	22,616	22,224	12,493	11,233	15,684	15,065
Urban	25,212	28,585	15,582	16,538	18,094	17,883
Female						
Rural	7,355	9,325	6,251	7,534	5,183	5,938
Urban	9,078	13,016	8,749	10,884	6,851	8,553
	Ratio of Rural Income to Urban Income					
	Percent					
Male	89.7	77.7	80.1	67.9	87.6	84.2
Female	81.0	71.6	71.4	69.2	71.4	69.4

Source: Current Population Survey, 1980 and 1988. Data are for workers 25 years old or older.

Table 3. Income Quintiles for Rural White, Black and Hispanic Families: 1980 and 1988.

	White		Black		Hispanic	
Quintile	1980	1988	1980	1988	1980	1988
1) Top 20%	22.9	15.0	7.8	3.3	11.7	6.6
2) Next 20%	25.6	21.2	14.3	11.8	17.1	15.3
3) Next 20%	23.9	24.0	21.1	17.7	23.1	20.9
4) Next 20%	17.3	22.7	25.5	27.9	27.8	31.2
5) Bottom 20%	10.3	17.1	30.3	39.2	19.3	26.0
Percent of Families with Income in 1988:						
Less than $7,500		10.4		27.3		15.4
More than $40,000		23.7		7.1		12.3

Source: Current Population Survey, 1980 and 1988

Table 4. Industrial and Occupational Employment of Rural White, Black and Hispanic Workers: 1988.

	White		Black		Hispanic	
Industry	Male	Female	Male	Female	Male	Female
Agriculture	9.2	3.3	6.7	0	19.4	13.3
Construction	15.2	1.6	14.9	.4	17.9	0
Manufacturing	25.1	17.2	42.9	35.5	21.4	13.6
Utilities	9.3	3.1	5.5	1.0	4.6	1.8
Trade	15.9	20.3	10.6	9.8	14.2	15.0
Services	20.4	50.1	16.1	50.4	15.9	51.1
Government	4.9	4.4	3.3	2.9	6.6	5.2
Occupation						
Professional/ Technical/Managerial	22.6	25.7	6.6	11.9	12.2	17.3
Sales/Clerical	12.8	36.8	5.2	15.0	8.3	22.5
Craft Worker	24.2	2.9	16.2	4.9	29.6	1.3
Operative	24.9	13.5	52.1	32.4	23.9	17.3
Service Worker	6.1	18.5	11.6	35.8	6.0	30.3
Farmer	6.0	1.3	.5	0	2.0	1.4
Farm Worker	3.4	1.3	7.8	0	18.0	9.9

Index of Dissimilarity	Men	Women
White vs. Black	37.1	38.2
White vs. Hispanic	20.0	24.3
Hispanic vs. Black	33.8	24.2

Source: Current Population Survey, 1988. Data are for workers 25 years old and older.

Table 5. Employment Characteristics of Rural White, Hispanic and Black Workers: 1980 and 1988.

	White		Black		Hispanic	
Characteristics	1980	1988	1980	1988	1980	1988
Percent Employed Full-Time						
Men	85.0	87.7	74.8	71.7	80.5	74.6
Women	67.0	69.5	62.3	69.8	54.4	59.8
Percent Unemployed						
Men	5.7	5.8	11.1	13.1	7.0	9.4
Women	5.7	4.1	9.9	12.8	12.5	7.8

Source Current Population Survey, 1988. Data are for workers 25 years old and older.

Table 6. Educational Attainment of Rural White, Black and Hispanic Adults: 1980 and 1988.

	White		Black		Hispanic	
Men	1980	1988	1980	1988	1980	1988
Less than 8 Years of Schooling	13.4	8.5	34.7	19.3	40.7	34.7
High School Graduate	72.7	78.8	45.8	61.4	45.5	50.6
Some College	34.9	35.1	17.9	17.4	18.1	18.4
College Graduate	19.0	17.8	6.2	6.2	8.7	8.3
Women						
Less than 8 Years of Schooling	10.4	6.9	27.1	16.5	40.1	33.9
High School Graduate	74.3	81.3	46.6	60.8	42.5	52.7
Some College	27.9	32.6	15.3	17.1	13.3	16.5
College Graduate	12.9	13.5	8.2	6.8	4.5	4.8

Source: Current Population Survey, 1980 and 1988. Data are for persons 25 years old and older.

Table 7. Average Years of Schooling (1980) for Blacks and Whites Living in Predominantly Black and Predominantly White Counties in the South.

	Whites	Blacks	Difference
	------Years of Schooling------		
Predominantly Black Counties	12.0	9.0	3.0
Predominantly White Counties	11.6	9.7	1.9

Source: Data are computed from COSTAT III.